

**MINUTES OF THE  
CITY OF SANTA FE  
FINANCE COMMITTEE MEETING  
Monday, June 16, 2003**

**1. CALL TO ORDER**

A meeting of the City of Santa Fe Finance Committee was called to order by Councilor Carol Robertson Lopez, Chair, at 5:15 p.m., on June 16, 2003, in the City Council Chambers, in Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT:**

Councilor Carol Robertson Lopez, Chair  
Councilor Miguel Chavez  
Councilor Karen Heldmeyer  
Councilor Matthew Ortiz

**MEMBERS EXCUSED**

Councilor Rebecca Wurzbarger

**STAFF PRESENT:**

Kathryn Raveling, City Finance Director  
Terry Medina, City Finance  
Melessia Helberg, Stenographer

There was a quorum of the membership present for the conducting of official business.

**NOTE: All handout items for all agenda item, are incorporated herewith to these minutes as Exhibit "A."**

**3. APPROVAL OF AGENDA**

There were no changes recommended by staff to the agenda.

MOTION: It was moved by Councilor Ortiz, seconded by Councilor Heldmeyer, that the published Agenda be approved.

VOTE: There being no dissenting or abstaining votes, the motion carried unanimously.

**4. APPROVAL OF CONSENT AGENDA**

Councilor Heldmeyer asked to remove Items #21 and #23 from the Consent Agenda for discussion.

MOTION: It was moved by Councilor Ortiz, seconded by Councilor Chavez, that the Consent Agenda as amended be approved.

**4. APPROVAL OF MINUTES:**

**MAY 15, 2003**

MOTION: It was moved by Councilor Ortiz seconded by Councilor Chavez, that the minutes of May 15, 2003, be approved as submitted.

VOTE: There being no dissenting or abstaining votes, the motion carried unanimously.

**JUNE 2, 2003**

MOTION: It was moved by Councilor Ortiz, seconded by Councilor Chavez, that the minutes of June 2, 2003, be approved as submitted.

VOTE: There being no dissenting or abstaining votes, the motion carried unanimously.

**CONSENT AGENDA**

The consent agenda was amended as follows:

**4. BID OPENINGS:**

**A. BID NO. 03/59/B -- TRAFFIC CALMING PROJECTS CYCLE TWO, PHASE TWO; R.L. LEEDER. (CARRIE LaCROSSE)**

**7. REQUEST FOR APPROVAL OF GRANT AWARD – ARTWORKS PROGRAM; ANONYMOUS DONOR. (SABRINA PRATT)**

**A. REQUEST FOR APPROVAL OF BUDGET INCREASE/TRANSFER – GRANT FUND/PROJECT FUND.**

**7. REQUEST FOR APPROVAL OF GRANT AWARD – AWARDS FOR**

**EXCELLENCE IN ARTS EVENT; CENTURY BANK**

**A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.**

- 7. REQUEST FOR APPROVAL OF GRANT AWARD – LIBRARY BOOKS AND COMPUTERS; NEW MEXICO STATE LIBRARY. (SUSIE SONFIELD)**

**A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND**

- 7. REQUEST FOR APPROVAL OF MEMORANDUM OF AGREEMENTS – SANTA FE METROPOLITAN ORGANIZATION ON (MPO) GRANTS; NEW MEXICO STATE HIGHWAY AND TRANSPORTATION/SANTA FE METROPOLITAN PLANNING ORGANIZATION. (ROBIN ELKIN)**

- 7. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENTS – LIBRARY BOOKS. (SUSIE SONFLIETH):**

- A. BOOKS WHOLESALERS, INC.**
- B. INGRAM LIBRARY SERVICES**
- C. THE BAKER & TAYLOR CO.**

- 7. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – TIRES FOR CITY VEHICLES. (ROBERT RODARTE):**

- A. CONTINENTAL GENERAL TIRE.**
- B. BRIDGESTONE/FIRESTONE**
- C. THE GOODYEAR TIRE & RUBBER CO.**
- D. MICHELIN NORTH AMERICAN**

- 7. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – SANTA FE ANIMAL SHELTER. (BEVERLY LENNEN, CHIEF OF POLICE)**

- 7. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENTS – STENOGRAPHER SERVICES (YOLANDA VIGIL):**

- A. BEATTY ASSOCIATES (CITY COUNCIL MEETINGS)**
- B. BEATTY ASSOCIATES**
- C. CARL G. BOAZ**
- D. KAREN FARRELL (WORDSWORKS)**
- E. MELESSIA HELBERG**
- F. JOANN G. VALDEZ**

- 7. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT –**

**ADVERTISING SERVICES FOR SANTA FE TRAILS BUSES, SHELTERS AND BENCHES (RFP NO. 2003/18/P); TEMPLETON MARKETING SERVICES (JOYCE BOND)**

7. **REQUEST FOR APPROVAL – COMPREHENSIVE INSURANCE PROGRAM COVERAGES; WILLIS (HENRY ARANDA)**
  - A. **REQUEST FOR APPROVAL OF BUDGET INCREASE – RISK MANAGEMENT FUND.**
7. **REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO LEGAL SERVICES AGREEMENT – CONSULTING SERVICES FOR SAN JUAN-CHAMA DIVERSION PROJECT/NEPA; KIRKPATRICK & LOCKHART, LLP (ROBERT KIDD)**
7. **REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO LEGAL SERVICES AGREEMENT – LITIGATION MATTERS REGARDING CITY WATER UTILITY AND PNM; MARK F. SHERIDAN, ESQ. (HOLLAND AND HART, LLP) (ROBERT KIDD)**
7. **REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT – CONSULTING SERVICES FOR VARIOUS WATER PROJECTS/ISSUES; NORMAN GAUME, P.E. (KYLE HARWOOD)**
7. **REQUEST FOR APPROVAL OF AMENDMENT NO. 5 TO LEGAL SERVICES AGREEMENT – VARIOUS WATER ISSUES; MONTGOMERY & ANDREWS, P.A. (KYLE HARWOOD)**
7. *[Removed to Discussion Agenda by Councilor Heldmeyer]*
7. **REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – CVB ADVERTISING SERVICES STATE GRANT; MAVERICK ADVERTISING AND PUBLIC RELATIONS, INC. (DARLENE GRIEGO)**
7. *[Removed to Discussion Agenda by Councilor Heldmeyer]*

**7. REQUEST FOR APPROVAL OF MEMORANDUM OF AGREEMENT – PARK & RIDE LOT; NEW MEXICO STATE HIGHWAY AND TRANSPORTATION DEPARTMENT. (LEROY PACHECO)**

**A. REQUEST FOR APPROVAL OF BUDGET INCREASE – PROJECT FUND.**

**7. REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF YEAR END BUDGET ADJUSTMENTS FOR FY 2002/2003 (KATHRYN RAVELING)**

**DISCUSSION:**

**21. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENTS – ECONOMIC DEVELOPMENT SERVICES. (STEVE WHITMAN);**

**A. SANTA FE BUSINESS INCUBATOR, INC.**

**B. SANTA FE ECONOMIC DEVELOPMENT, INC.**

Councilor Heldmeyer said the City is awarding these contracts in spite of the fact that we are going through the review right now, and asked why this format was chosen. Mr. Whitman said the idea is to keep services going while we are working on the plan, understanding that there is a strong possibility of changes. None of the contractors want to do a performance scope of work that is obsolete. When that changes, we will revisit the scope of work and look at what fits, what doesn't fit, and revise the scope of work. In the meantime, we wanted to keep services going.

Councilor Heldmeyer asked why we don't just award these contracts for the length of time we think we are talking about. It is not a question of whether or not they are doing the work, but a question of whether we will be doing the kinds of things that are asked for under these contracts under the new plan. Mr. Whitman said this is true. He said it is scheduled to present a plan to the City Council in September. Experience has been that things don't always get adopted instantly and don't always come in as projected. By the time Council reviews the plan, suggests changes or wants to look at other things, it could be October or November which is nearing mid-year, so staff just left it at a one-year contract, although this is at the discretion of the Council.

Councilor Heldmeyer said she expected more detail from staff in terms of their evaluation. She said the information isn't that specific. This is an excellent example of leveraging resources and duplicating efforts, but there isn't an indication of what has been done. She said, given the upcoming evaluation of economic development, she is much more interested in real specifics of what has been done.

MOTION: It was moved by Councilor Ortiz, seconded by Councilor Heldmeyer, that the request be approved and that the contracts be amended to include only a time period of six months from July 1, 2003 through December 31, 2003, and that the funding be cut in half for both Santa Fe Economic Development, Inc., and the Santa Fe Business Incubator, with the understanding that there will be an update on the City's economic development plan which he assumes will be by the end of the year.

DISCUSSION: Councilor Ortiz has the same concerns as Councilor Heldmeyer that this contract should be in place only for a limited period of time, pending the outcome of the Economic Development Plan.

Councilor Heldmeyer said at this point we don't know who is doing what. She said Mr. Whitman should come back to this Committee within four months if Mr. Whitman's fears that the Plan won't be done in time prove to be correct.

Councilor Heldmeyer asked if cutting the timeframe in half going to create specific problems for either of the contractors. Mr. Whitman said he doesn't think so since the contractors will be advised of the new timeframe. Councilor Heldmeyer reiterated that Mr. Whitman should come back to the Committee for reconsideration of the contract term if things don't move along as expected.

Chair Robertson Lopez said she is opposed to six months contracts. She pointed out that the Santa Fe Business Incubator just received an award at the United States Conference of Mayors (which she attended on behalf of Mayor Delgado) and this is considered to be one of the best for new businesses.

VOTE: There being no dissenting or abstaining votes, the motion carried unanimously.

**23. REQUEST FOR APPROVAL OF AMENDMENT NO. 5 TO PROFESSIONAL SERVICES AGREEMENT – CVB ADVERTISING SERVICES RENEWAL; MAVERICK ADVERTISING & PUBLIC RELATIONS, INC. (DARLENE GRIEGO)**

Councilor Heldmeyer asked for a quick update from Ms. Griego about how Maverick is doing – what have they done, are we happy with them. Ms. Griego said she is very happy with Maverick. All of the inquiries are up. She said there was a drastic drop of 7% in March because of the War in Iraq, and down 5.2% in April. Ms. Griego does not yet have the report for May, and won't have until the end of the month. She said the Lodger's Tax was up. However, that isn't always something that can be compared to occupancy.

Ms. Griego said, with regard to media placement, the average cost per lead in printed media was \$3.67. There were over 900,000 user sessions and 33 million hits on the website.

Councilor Heldmeyer asked the increase on this over last year. Ms. Griego said it is an increase of 15 million hits which is up significantly.

Councilor Ortiz asked about the Chamber of Commerce. Ms. Griego said the Chamber provided 7,098 leads from the Chamber.

Councilor Chavez asked if the Chamber is tracking its hits separately from the CVB. Ms. Griego said that they are, and that they file a monthly report with the CVB on its number of hits. She said the Chamber mostly tracks the number of Visitors Guide's relocation packets.

Councilor Chavez said we need to look at the cost effectiveness and efficiency of this way of doing things – manpower vs. productivity – in the next year.

Chair Robertson Lopez said for the next meeting agenda she would like to look at all consultants figures in terms of what a new and/or improved convention center would generate. Ms. Griego said the spread sheets were received today and have been submitted to Ms. Raveling. She and Ms. Raveling will be working on those and can provide that information at the next meeting, if not sooner. Chair Robertson Lopez said the Committee is anxious to know what our experts have to say on this issue.

MOTION: It was moved by Councilor Heldmeyer, seconded by Councilor Ortiz, that the request be approved.

VOTE: There being no dissenting or abstaining votes, the motion carried unanimously.

23. **REQUEST FOR APPROVAL OF PROPOSED REVISIONS TO CITY OF SANTA FE PURCHASING MANUAL – SECTION 15.4 RESIDENT AND LOCAL PREFERENCE (KATHRYN RAVELING) (Postponed from Finance Committee Meeting of June 2, 2003)**

Councilor Ortiz asked, in terms of the recommended changes in language, if there will be a similar situation to that where the City awarded the contract on the wells to an out of state firm instead of a local firm. Ms. Raveling said that contract was awarded to a Colorado firm. Ms. Raveling said if these changes had been made at that time the City would have been able to award the contract to the local firm.

Councilor Ortiz asked if there is any other reason to impose a \$50,000 cap, and not just to apply a percentage. Ms. Raveling said the reason she is recommending a cap is that she believes the City is trying to balance awarding to state firms or local firms, while trying to balance costs. It is a matter of how much the City is willing to pay, cost wise. That cap can be increased. She said the \$50,000 is 5% of \$1 million, pointing out that it would now apply to bids over \$1 million but would still be limited to \$50,000. The local preference would be limited to \$100,000.

Councilor Ortiz said the wells were a \$4 million contract and \$50,000 is a 1.25% preference instead of a 5% preference. Ms. Raveling said without a limit, the City could, for example, pay up to \$250,000 more on a \$5 million bid. Councilor Ortiz said, hypothetically, under this scenario, a Colorado firm bid \$4 million and the New Mexico firm bid \$4.2 million, the contract still would go to the Colorado firm. Ms. Raveling said this is correct.

Councilor Chavez said Ms. Raveling explained other rationale earlier, that even though we want to support local preferences, in many cases there aren't firms which are qualified to bid on large scale projects. She said this is correct.

Councilor Ortiz asked if a residence preference wouldn't give local companies an incentive to bid for the large projects against out of state contractors -- companies which wouldn't otherwise bid on projects in Santa Fe because of their perception of our local preference. Ms. Raveling said it could. Councilor Chavez said this seems to be a little better than previous practice.

Councilor Ortiz wants to retain the 5% on resident preference and local preference, so that every incentive is given to awarding City money to local City vendors, and if not City vendors to New Mexico vendors and then to out-of-state vendors, particularly on the big projects. He said, with regard to the well contract, the City already has done a change order on that contract which increased the cost over and above the \$700,000. He would prefer to see a percentage and not a hard dollar cap.

Ms. Raveling said the City is looking at some very big water projects. Councilor Ortiz said this is precisely why we need to emphasize, as a community, that we want to keep the money in the City or the state on projects which are going to be paid for by taxpayers before we send our taxpayer money to other states. We should be giving local and resident firms an incentive to bid on these kinds of projects. Ms. Raveling said it is a matter of how much more the City is willing to pay.

Chair Robertson Lopez said most of the very large businesses bidding on large projects have an office in New Mexico, commenting those businesses will open an office at the "drop of a hat" if needed. Ms. Raveling said the water projects actually weren't a good example, because the City will be using federal funds and a preference can't be used on projects which have federal funding.

Councilor Heldmeyer asked if the proposed language has been reviewed by the City Attorney, commenting that it is very "convoluted language." Ms. Raveling said it has. However, she said if the Council doesn't want dollar limits and decides to use a straight percentage, the language will be much more simple.

Councilor Heldmeyer said, like Councilor Ortiz, she wants to draw a distinction between local preference and resident preference. Ms. Raveling said she understood Councilor Ortiz



suggested 5% for local and 5% for resident, so there is no distinction.

Councilor Ortiz said he said the first priority should be keeping our money here in Santa Fe, and if that can't be done then at least try to keep the money in New Mexico. He would like a 5% and then another 5%. For example, a Santa Fe Company bidding on a project is bidding not only on the 5% local preference but additionally, the 5% resident preference as well – if that Company is in competition with firms in Colorado and Missouri. Ms. Raveling said then the local preference would be 10%, and resident preference would be 5%. Councilor Ortiz said yes, or it could be 7.5% or 5% because he hasn't decided on what the percentage should be, and the proposed language doesn't speak to this.

Councilor Heldmeyer said she is skeptical of some of the multiplier effects because they tend to be a little overly optimistic. However, the odds of keeping the money in the community are higher if we give a preference to people who are in the community, and we know that it is more expensive to do business as a Santa Fe Business than for example as a Rio Rancho business. This is why this particular item was one of the main things people wanted to see when we became a home rule city. It acknowledges that we want to reward companies doing business in Santa Fe. She said Councilor Ortiz's proposal seems very reasonable.

Chair Robertson Lopez said she believes 10% seems a little too high. Councilor Ortiz said a Santa Fe firm should get the New Mexico preference which is 5% and then add another 2.5% to 3% which takes in account the additional cost of doing business in Santa Fe. He said there needs to be some sort of way to test the validity of the contacts with the community for out of state businesses which open an office in Santa Fe in Albuquerque only for the purpose of making a bid.

Chair Robertson Lopez said these firms sometimes partner with an existing local company. Ms. Raveling said this is a good point, because there is no control of the situation where the local company submits the bid and all the subcontractors are in Albuquerque. She doesn't know how to control that. Chair Robertson Lopez said the City could approve the subcontractors.

Councilor Ortiz said without this kind of preference, there is no incentive for an out of state company to contract or partner with a local firm. They will just come in and take the project and all or a majority of taxpayer money flows out of state.

Chair Robertson Lopez said this is, essentially, a local economic development initiative.

**MOTION:** It was moved by Councilor Heldmeyer, seconded by Councilor Ortiz, that this Committee ask Ms. Raveling to revise the proposed language to reflect the discussion this evening about resident vs. local and the levels of 5% and 3%, and to have a discussion with the City Attorney about the issue of level of preference and whether the language is sufficient.

**FRIENDLY AMENDMENT:** Councilor Ortiz would like to add that he would also like Ms.

Raveling to ask the City Attorney to consider the issue of blending of monies. The language as drafted presumes if there is ever any federal or state money in the project the preference cannot be applied. He said there is a way around that and he would like the City Attorney to come up with language which allows the City to give preferences even in the presence of federal money, if possible. **The amendment was friendly to the maker.**

Councilor Ortiz believes that a majority standard is used – if there is more than 50% of federal or state monies, the preference cannot be applied. This is especially important on the large water and wastewater projects. He believes the City will be contributing more than 50%, and we should find a way to apply the preference to those.

Ms. Raveling said she will attach the form used for local preference as well and see if the Committee wants to amend that as well.

Councilor Ortiz said he saw language on a proposed Contract with the City with regard to the litigation on the Living Wage Ordinance. He understands that part of the ordinance was not challenged – that the City has the right to impose conditions on their contractors. He suggested that Ms. Raveling delete that language from contracts being let because he doesn't think this language is appropriate.

Chair Robertson Lopez asked if the model procurement code deals with local preferences. Ms. Raveling doesn't know, but she will look at that. Chair Robertson Lopez said if it does, that might be a good place to look for the kinds of information needed.

VOTE: There being no dissenting or abstaining votes, the motion carried unanimously.

**23. REQUEST FOR CONCEPT APPROVAL OF AN ORDINANCE AMENDING CHAPTERS 21, 22 AND 25 SFCC 1987, AND CREATING A NEW SECTION 15-1 SFCC 1987 REGARDING UTILITY BILLING; MAKING SUCH OTHER AMENDMENTS AS NECESSARY AND MAKING MISCELLANEOUS CORRECTIONS FOR PUBLIC HEARING ON JULY 9, 2003. (COUNCILOR LOPEZ) (DAVE SCHMIEDICKE)**

MOTION: It was moved by Councilor Ortiz, seconded by Councilor Heldmeyer, that this request be approved.

DISCUSSION: Councilor Chavez asked if the stormwater utility fee is included in this ordinance or if it is in a separate ordinance. Ms. Schmiedicke said it is in a separate ordinance. Councilor Ortiz said there is reference to the stormwater utility fee on page 35 of the ordinance under new material, "Poverty Exemption, Section 15-1.3(A)(4), Monthly residential stormwater assessment."

Ms. Price said staff is working on many bills at the same time to get them through the process. She said the Stormwater Utility Ordinance will be passed first, and this will be passed after that

time. This will mean that the Stormwater Utility Fee would be exempt and would follow the same pattern. She will check the language in the bill for next week's Council meeting, but she believes there was an effort to be consistent and exempt those fees on all of the City utilities, if that is the desire of the Council.

Councilor Chavez would like Ms. Price to follow through in this regard. He asked if the Stormwater Utility is published at \$1 or 75¢. Ms. Price said it is published at 75¢ and the packet includes an amendment to \$1.

VOTE: There being no dissenting or abstaining votes, the motion carried unanimously.

**23. REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON JULY 30, 2003, OF AN ORDINANCE REPEALING SECTION 7 OF EXHIBIT A TO CHAPTER 22 SFCC 1987, AND CREATING A NEW SECTION 7 OF EXHIBIT A TO CHAPTER 22 SFCC 1987, REGARDING WASTEWATER UTILITY EXPANSION CHARGES. (COUNCILORS ORTIZ, BUSHEE, WURZBURGER AND ROBERTSON LOPEZ) (COSTY KASSISIEH)**

MOTION: It was moved by Councilor Ortiz, seconded by Councilor Chavez, that this request be approved.

DISCUSSION: Ms. Price said she has an amendment to this bill which she would like to introduce this evening, clarifying that this is a staff amendment. She said we are amending Exhibit A of Chapter 22, but we also need to amend the actual text of Chapter 22 which is contained in the amendment.

RESTATEMENT OF MAIN MOTION: It was moved by Councilor Ortiz, seconded by Councilor Chavez, that this request be approved with staff's clarifications.

DISCUSSION: Chair Robertson Lopez asked that any amendments be submitted by staff in advance in the future.

Ms. Price said she also needs to amend the agenda because this will not be heard on July 30<sup>th</sup>, because this needs to go with the impact fees bill which probably won't be heard until August 13<sup>th</sup>.

Councilor Ortiz said he is moving for approval with the understanding that this bill will be heard separately. He wants to hear the expansion UEC's separately from the impact fee. Ms. Price said that would result in both charges being imposed for the two week between the ordinances which is her concern.

Councilor Ortiz said there are no impact fees for water or wastewater. Ms. Price said that there is an impact fee, currently, for wastewater. Councilor Heldmeyer said this ordinance will replace that.

Councilor Heldmeyer said if the Council passes this ordinance, she would like Ms. Price to develop an accompanying package which would include the amendments that need to be made to prevent both of them on the books at the same time.

Councilor Ortiz said if we pass this ordinance in advance of the impact fees with the clarifications handed out by Ms. Price, at the end of July there would no longer be a sewer impact fee assuming that the UEC bill passed. Ms. Price said there would be and she would have to amend Chapter 14 to remove the impact fee for wastewater.

RESTATEMENT OF THE PREVIOUS MOTION: It was moved by Councilor Ortiz, seconded by Councilor Chavez, that this bill be approved with the proposed amendments submitted by staff, and that Chapter 14 be amended, along with this bill, to delete the wastewater impact fees.

DISCUSSION: Councilor Chavez asked about the timeframe for amending Chapter 14, the process, and if they will mesh.

Ms. Price said she spoke with Mr. Liming this morning and that the capital impact fee bill which would remove the impact fee for wastewater will be heard on August 13<sup>th</sup>. Councilor Ortiz said this is why he amended his motion to take that out.

Councilor Ortiz said he understands that there is now a third version of the capital impact fee ordinance that none of us has seen. Ms. Price said the numbers have changed in certain revisions.

Councilor Ortiz said we need to do the UECs separately for two reasons. One, we don't want to give anyone the impression that these are tied in any way to impact fees, because they are not. Secondly, these expansion charges are needed because we need to get those monies so we can begin doing the wastewater projects to which we are committed because of federal mandates. We need to act on this more quickly than the impact fees which need more work. He wants to delete the sewer impact fees with this bill because it will be heard and decided first, then we can deal with the impact fees as a separate issue.

Chair Robertson Lopez reminded the Committee that she spoke against having the capital fees and other increases "joined at the hip."

Councilor Heldmeyer said the changes that would be needed for this bill have already been indicated.

Councilor Chavez said the capital improvement document prepared by Duncan & Associates included all facilities – water, wastewater, parks, fire, police. We were unable to include the stormwater in that document. He said in the long term the action will be more responsible by

treating this holistically instead of piecemeal.

Councilor Ortiz said this has to be done because we have big ticket items we must pay for. We have decided that we will handle those as expansion charges and not as impact fees. It is better to have this bill and this discussion as the point in the holistic approach.

Councilor Chavez said this will affect people financially, but it will allow the City to balance the budget in a better way and to continue to provide the needed services.

Councilor Heldmeyer said we need to get these in place as quickly as possible, including the service fees increase. This ordinance began behind the impact fee ordinance, has caught up and is about to go past it. If we can get this done sooner it will be ready to go into effect July 1<sup>st</sup>, and she wishes the impact fees would be ready at that time. We need to ensure these are in place as soon as possible because the budget is dependent on all these things being in place and using that money.

Ms. Price said if she amends this bill now, she will probably try to submit another bill in the Council packet for publication. That bill will presume that the capital impact fees bill will go out in the next Council packet. She wants everyone to understand that because we are amending the same sections, we have to make some assumptions. If this bill goes forward amending Chapter 14 ahead of the one amending all of Chapter 14 impact fees, we will have to assume in the second impact fee bill that this bill has passed.

Councilor Heldmeyer said the Council can amend the ordinance at that time if needed.

Councilor Ortiz said this bill could die, and if there is duplicate language in another bill, that language could be considered in that. Ms. Price said it won't be duplicate language and will be relying on that this bill is passed.

Councilor Chavez believes we need to spend some time on this bill, and we need to have this discussion. If we don't have it here, we are going to be having the discussion at Council which isn't good either.

Chair Robertson Lopez said Councilor Ortiz understands the issues raised by Ms. Price, and on June 30<sup>th</sup> the Council will be closer to knowing whether or not it will be hearing the impact fees bill in two weeks. If we know that we won't be hearing that bill in two weeks because there are too many issues, the Council could make it go away either in two weeks or at the time the other bill was adopted.

Councilor Ortiz understands staff concerns. However, in order to prevent a time lag the easiest solution to those problems is to include that language in this bill.

VOTE: There being no dissenting or abstaining votes, the motion carried unanimously.

**23. REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON JULY 30, 2003, OF AN ORDINANCE CREATING A NEW SECTION 11-2.5 SFCC 1987, REGARDING THE REVIEW OF ALL FEES AND CHARGES ASSESSED BY THE CITY PRIOR TO THE RECOMMENDATION OF THE ANNUAL BUDGET. (COUNCILOR MIGUEL CHAVEZ)**

MOTION: It was moved by Councilor Chavez, seconded by Councilor Heldmeyer, that the request be approved.

DISCUSSION: Chair Robertson Lopez asked Ms. Price if she has any changes or amendments to the bill, or any problems. Ms. Price said the Committee can vote on the bill as presented.

VOTE: There being no dissenting or abstaining votes, the motion carried unanimously.

**23. MATTERS FROM THE FINANCE DIRECTOR:**

**A. REVIEW OF AUTOMATED WATER METER READING AND DATA COLLECTION SYSTEM PROJECT AND ALTERNATIVES. (KATHRYN RAVELING, DAVE SCHMIEDICKE)**

Ms. Raveling said this is being brought before the Committee for direction. She said although there are vendors in attendance, the vendors were not asked to be here, and she doesn't want a presentation from the vendors. She wants only direction from the Finance Committee.

Ms. Raveling said the RFPs were issued in January for the remote water meter reading program. Since that time, there have been reviews of the proposals, and interviews. She acknowledged Dave Schmiedicke and Kyle Sager who made field trips to several cities where these systems have been installed.

Ms. Raveling said it is intended to do a trial of the new system with 1,000 meters, and then make a decision on whether or not to go forward with the system. She said even if the City decides to go forward it will be a three-year process from the pilot project through installing the system on the City's 27,000 meters. Ms. Raveling said there are costs in the Staff Memorandum, but all of these costs are negotiable. She said it will depend on how much can be done In-House with City staff.

Ms. Raveling said the choice has been narrowed to two firms which provide two very different solutions for the City:

- The system proposed by AMR/Datamatic proposes to place a device on all the

City's meters. You can pull the customer profile from that meter remotely by walk-by or drive-by. Both systems have that capability.

- The system proposed by Hughes/Neptune proposes to place antennas throughout the City for a fixed network system. Information can be drawn from this system remotely, at the office, throughout the City.

Ms. Raveling said the concerns with the Hughes/Neptune system is that there would be antennas which has been a sensitive issue with the Council, and the system is quite a bit more costly, although it does provide some benefits. Staff doesn't need to drive around the City to retrieve information from the meters, and can be retrieved through the radio feed from the antennas. She believes, for the most part, that the antennas could be placed on City buildings, and it would require negotiation with other property owners to place the remaining antennas.

Ms. Raveling said there is a picture of the antenna in the packet. The antenna will be under 8 ft. tall. She said in places where Mr. Schmiedicke and Mr. Sager have visited, the antennas weren't really visible, especially where installed on the top of the building.

Chair Robertson Lopez said she recalls a provision for an ENN to install an antenna. Councilor Heldmeyer said it depends of the kind of antenna. She stated that people do feel strongly about antennas in the Historic District.

Councilor Heldmeyer pointed out, with regard to staff going out to get information from meters in certain situations, this is also the way the City reads the meters for the bills currently. Ms. Raveling said all of the meters could be read in two or three days, but it would still require a drive-by with the AMR/Datamatic proposal. She said with the Hughes/Neptune radio network staff can sit in the office and generate the data for the bills.

Councilor Heldmeyer said she and Councilor Chavez saw meters in Salt Lake City using the network data system, and staff didn't mention antennas. Councilor Chavez said they were using radio.

Chair Robertson Lopez would like more analysis in terms of costs – a cost benefit analysis – which projects the pros and cons of both systems so the Committee can project the various costs. She said one system will permit reading meters in 3 days by drive-by, and the cost of the employee's time vs. the increased costs.

Ms. Raveling said if the Council decides to go with the Hughes/Neptune proposal, when the radio network is installed there would be very few limited areas where it wouldn't be cost effective to install an antenna. Chair Robertson Lopez said she was referring to the AMR/Datamatic vendor which requires drive-by, and the cost of staff driving by.

Councilor Heldmeyer said given some of the meter reads lately, this may be a case where the users are more accepting of this technology.

Councilor Chavez said then this is a pilot project. Ms. Raveling said the initial phase will be a pilot project for 1,000 meters, both residential and commercial, to be sure the system chosen works well and meets the City needs.

Councilor Chavez asked about the selection process for the pilot project. Ms. Raveling asked Mr. Sager to respond, noting that he has already identified the areas for the pilot project that he would like to use.

Mr. Sager said depending on Council direction, for the antenna system a more saturated area is needed, such as on the Southside on Camino Rojo and by Capital High, to test whether or not the system would collect the number of meter readings per antenna as represented by the vendor. If Council decides on the other system which is a drive-by, he suggested the project would be on the east side starting at the summit because he wants to be sure that the devices will work when covered by snow and in rough terrain. The location of the pilot project will depend on the vendor.

Mr. Sager said he wants to do the pilot project first to be sure it works. Responding to Councilor Chavez, Ms. Raveling said either system can be done within the three year period, but the timeframe could be shorter. She believes we will have much better feel of the system after the pilot program.

Councilor Heldmeyer said the kinds of information she would like Ms. Raveling to provide, would include how many antennas would be needed for the Hughes/Neptune system, the range of the antennas and where they would need to be located, the radio frequencies under which they are working -- what kind of technology. She also would like information on special issues of terrain and in the Historic District. Ms. Raveling said it is estimated that a total of 150 antennas will be needed for the system throughout the City.

Councilor Heldmeyer would like to see a map of the proposed antenna locations.

Chair Robertson Lopez would like information on costs of maintenance of each system, the term of the software guarantee and/or the devices.

## **23. MATTERS FROM THE COMMITTEE**

There were no matters from the Committee.

## **23. ADJOURNMENT**

There being no further business to come before the Committee, and the Committee having completed its Agenda, it was moved by Councilor Ortiz, seconded by Councilor Chavez, that the meeting be adjourned. The motion passed unanimously and the meeting was adjourned



at 6:15 p.m.

Reviewed by:

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Councilor Carol Robertson Lopez, Chair

Kathryn L. Raveling, Director  
Department of Finance

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Melessia Helberg, Stenographer